

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
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**FISCAL IMPACT STATEMENT**

**LS 7363**

**BILL NUMBER: HB 1813**

**DATE PREPARED: Mar 1, 2001**

**BILL AMENDED: Feb 27, 2001**

**SUBJECT: Mental Health.**

**FISCAL ANALYST: Kathy Norris**

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**FUNDS AFFECTED: X**

**GENERAL  
DEDICATED  
FEDERAL**

**IMPACT: State**

**Summary of Legislation:** *(Amended)* This bill changes the name of the Division of Mental Health to the Division of Mental Health and Addiction. The bill amends the definition of "managed care provider" to include (1) organizations that provide children's mental health services; and (2) organizations that are exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code (instead of nonprofit corporations incorporated in another state). The bill requires the Division of Mental Health to establish standards for each element of the continuum of care for Community Mental Health Centers and managed care providers before July 1, 2003. Except for a center that meets certain requirements, the bill also prohibits the Division of Mental Health from entering into a contract for the provision of services with a new managed care provider or Community Mental Health Center that is not currently providing service until July 1, 2003.

**Effective Date:** *(Amended)* Upon passage, July 1, 2001.

**Explanation of State Expenditures:** *(Revised)* There could be costs in changing the name on various signs especially at the state institutions under the jurisdiction of the Division of Mental Health. The only other impact would be if the Division disposed of stationery or other forms or supplies that contained the current name of the Division and replaced the supplies before it typically would. These costs would be covered within the Division's existing budget.

The bill also requires the Division of Mental Health to establish and adopt standards for each element of the continuum of care for Community Mental Health Centers and Managed Care Providers before July 1, 2003. The Division has started the development of the standards required. The bill further imposes a 2 year moratorium on new contracts with new providers until the standards are adopted. The bill does not affect the award of a contract to the newly certified Community Mental Health Center in Marion County. The moratorium on new providers does not impact the level of funds available to be distributed to all providers. It would prevent the Division from adding new providers in service shortage areas during the period of the moratorium.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Family and Social Services Administration, Division of Mental Health.

**Local Agencies Affected:**

**Information Sources:**